

1 April 1957

MEMORANDUM FOR: Mr. Amory

SUBJECT : NSC and PB Activity

The following is a sketchy report of activity on NSC and related fronts during the past month or so:

Basic Policy

The following of the series of discussion papers relevant to the review of the Basic National Security paper have been presented to the NSC:

a. NSC 5707, Major Problems Affecting US Security. I discussed this with you while you were [redacted], and I am attaching the transcript of the meeting prepared by Mr. Cutler and distributed to the members of the Planning Board (Tab A).

STAT

b. National Strategy. The discussion at the NSC on this paper was not particularly provocative or spirited except for J. F. Dulles' rather surprising and enthusiastic support for an early substantial withdrawal of US forces from Europe (see paras. 8 c and d, Tab B). According to Cutler, Dulles was only silenced in his advocacy of this line by the President's rather firm statement that it might be a good idea but only when it became politically feasible to do so.

c. National Security Costs (NSC 5707/2, Tab C). This paper was the subject of long and acrimonious discussion at several Planning Board meetings, largely the result of Bowie's valiant attempts to make the Treasury-Budget presentation less loaded. Nothing startling occurred at the NSC meeting. Messrs. Humphrey and Brundage expressed their well worn views; JFD thought the NSC should concern itself with non-security as well as security expenditures and expressed some skepticism as to whether high taxes in fact slowed economic growth; Mr. Wilson pointed out that reducing expenditures necessarily meant cutting out some programs which would have serious implications; Mr. Nixon thought Congress would not cut more than one billion out of the budget but was depressed over the fact that most of this cut would come in the field of foreign assistance.

d. Military and Non-Military Defense Issues. (See Tab D). The PB has finished its discussion of these papers, and they are scheduled for the NSC meeting of April 11th.

e. Foreign Economic Issues. This paper was discussed at the 29 March PB meeting and will be finalized at the April 2 meeting. I

~~SECRET~~

will brief you orally when we receive the revised version.

### Other Matters

1. Shelter Program. The PB has completed a draft which will be considered by the NSC on 4 April. It in effect tells the NSC that the PB needs more time to study the matter and requests NSC authorization for the initiation of several specific studies. (Tab H).

2. OSI. (Tab E). This will be discussed Thursday at the NSC meeting, and our exchange people seem to be happy with the revised draft.

3. Turkey. State is preparing a revised draft in accordance with the views expressed when the NSC met on the previous PB draft. The gist of the NSC's thinking was in the direction of curtailing economic assistance, attempting to reduce the size of the Turkish Army, and basing our military and economic aid on the assumption that Turkey would take the necessary steps to stabilize its economy.

50X1  
STAT

5. Cambodia. Both ONE and DDP are participating at the working level in the preparation of a Policy Planning Staff paper for the Secretary of State, who returned from Camberra believing that we should "take a hard look" at Cambodia and consider the possibility of cutting off all US aid to that country.

6. Korea. (Tab G). The Korea paper is scheduled for the NSC on 4 April. The Director is involved in one controversial paragraph which I will brief you on orally.

7. Antarctica. Again partially as a result of Mr. Dulles' SEATO trip, progress has begun on revising the NSC policy paper on Antarctica. I need not tell you that [redacted] is operating on all 16 cylinders.

8. NSC 5401 (Oil Denial). The revision of this paper is virtually completed and ready for PB discussion. In its present form it has the approval [redacted]

9. Other Pending Matters. We have received State drafts on Iceland, Spain, and possible withdrawal of forces from Central Europe. These are being reviewed by the appropriate offices, and I will brief you on them in due time.

W. Webb

SECRET